



# Post-COVID Imperatives: Culture Change and Strategy Formulation



**Philip Atkinson and Daniel Burger outline the key issues for organisations planning for a Post-COVID future. They focus on two core issues to future proof your business by devising and implementing both a rigorous cultural review and strategic analysis.**

**H**ow do we focus our efforts on safeguarding our organisations in the current volatile business climate? There are no easy answers, but the most probable and easy solution is to focus on three key factors; direction, energy and alignment.

In the future, organisations will have to cope with the myriad of 'disrupter factors' impacting on their very existence. Post 2020+ there is no simple solution for all businesses as they differ in their origin, sector, history, culture, market, clients, users, their risk aversion and preference as to how they should manage change.

## **Risk aversion and managing change in uncertain times**

What is critical in managing in uncertain times is the organisational leadership team intently concentrating on what is vital to establish, not just in the short-term, but also to be viable in the medium- and long-term. Direction, energy and alignment are three core elements that will ensure that organisations come through this extended period of uncertainty.

# Corporate Culture

Symbols,  
Physical Layout



Standards and Processes  
Behaviours and Teamwork  
Leadership and Trust  
Beliefs and Values

Figure 1.

*Having direction and strategic goals are not enough unless the passions have been ignited in your people, stakeholders and those who depend on you for the services and products you provide.*

## Critical integration of focus, energy and alignment

To get through these tough times, organisations need to pinpoint their focus and business direction totally on their client or end-user. Based on this, the leadership team need to develop specific business plans reflecting their focus and vision for the future. A leadership team exhorting motivating but non-specific, generalised statements of direction based more on faith, luck and hope, rather than factual analysis, is of little value. In all sincerity, if the business doesn't articulate where it is going and how it is going to achieve this, then there will be severe problems.

## Energy and passion

Having direction and strategic goals are not enough unless the passions have been ignited in your people, stakeholders and those

who depend on you for the services and products you provide. Having a strong direction but insufficient energy to follow up delivery is of little value. Engage and listen to your people. Having an empowered 'high fives' culture without focused direction does not work; neither does having highly energised people committed to haphazard and uncoordinated generalised goals. What is needed is a robust, purposeful culture based on a focused direction peopled by people and teams who are equally committed to a clearly defined shared future.

## Alignment

Finally, you need 'alignment' of all resources to make things happen. This implies a high degree of integration between functions and business units. This win-win strategy is vital if the true alignment is to take place. This is best supported in a compelling business plan to which everyone has contributed and engaged.

## Strategy and culture

To develop a comprehensive plan requires the integration of strategy and culture. There has long been a debate about whether strategy is more critical than culture, and how the dynamics play out. We think it is an important issue as we see both as inseparable in supporting positive organisational change for the better. Here we will present our views to make it possible to apply this to divergent organisations in all sectors.

The article does not provide a rigid blueprint of how to manage these changes. It does, however, explore some of the methodologies that may help in managing change to create confidence and certainty for the future. Currently, organisational thinking is characterised by rumours, 'fast-breaking news stories' with situations and position changing hourly. What we think we know today is shadowed by inaccurate claims, dubious statistics and fake news, creating unnecessary anxiety and tension within leadership teams who are trying to steer through the storm.

This article was written in August 2020, and we want to ensure that the content is still relevant to you whenever you read it. We will be talking about culture and strategy as tools or methodologies that will help support this transition of self-renewal in future turbulent years.

## Creating culture change post-2020

We initially focus on culture change and the vital role that leadership plays in building the culture within any organisation. We develop the simple iceberg model here, and for now, we will talk about the importance of culture in driving business performance, and how to work with the top team to start to make that happen. We refer to strategic intent as part of the culture change process.

We know that healthy, vibrant cultures yield impressive results, while weak, negative cultures are slow, bureaucratic and no fun. Culture change is based upon articulating the vision for the business and then translating this into how you are going to achieve that vision.

## What are the keys to culture change?

For post-COVID robustness, a strong organisational culture is vital to creating superior performance. Cultures don't just evolve. Strong positive cultures must be led and nurtured. Designing and shaping organisational culture is too important to be left to chance. It has

to be defined, driven, and embedded enthusiastically.

The culture should be consistent, and there should be no confusion about what the organisation stands for and how it goes about its business. It must be clear to customers, members, end-users, stakeholders, regulators, and be compelling for staff.

### Uncertainty – achieving business outcomes

Organisational culture is central to delivering business outcomes. It has to articulate the golden thread that connects its higher purpose and its vision, and how success is achieved by its priorities and critical success factors, measured by KPIs. Culture should match and facilitate the vision, direction, business plan, strategies and operations of the organisation, no matter where it operates.

### Certainty – cultural and strategic integration

Culture is not set in stone. It must evolve to overcome challenging times, changing circumstances, and difficult conditions. If direction and goals change, the culture needs to do so first, and provide a focus towards implementing needed changes, and delivering results.

### Leadership team

Developing, delivering, implementing and nurturing the right culture is the responsibility of the leadership team. Research tells us that strong and positive business cultures are positively correlated with organisational performance, effectiveness, end-user retention, longevity and growth.

### Key issues for the Leadership Team

1. Focus on your purpose and vision for the future
2. Assess and diagnose your ability and readiness to change
3. Commit to a business plan delivering your purpose
4. Implement it relentlessly

### Pride in the culture

Staff are proud to belong to an organisation with an influential, positive culture. After all, that may guarantee a degree of certainty in employment in uncertain times. People feel that being part of a strong culture is good for them. Strong positive cultures future proof your business, create great morale, positive working relationships, and guarantee a bright future.

### Strong cultures

- Culture is purposely designed and installed
- Leadership is strong and focused
- Long-term strategic thinking is the norm
- Partnership with End-Users, Clients, Consumers and Stakeholders is proactive
- Strong core values and behaviours are consistently displayed

Strong cultures tend to predominate where the culture is deliberate and planned, where there is a shared understanding of the way forward, where the leadership and management style are key drivers in promoting improvement and change, and where long-term strategic thinking is a priority.

Strong cultures are aligned to partnering with, and focused

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on, customer needs and priorities. The staff know the core values and behaviours as well as comprehending precisely what is expected of them.

### Weak cultures

- Undefined, loose and unfocused
- Short-term fearful thinking predominates promoting indecision
- Little customer or end-user focus
- Confusion in the expected behaviour of people and teams
- Politics and turf wars are rife
- Change is seen as a threat

Weak cultures tend to be unplanned, and the culture exists more by accident than by design. Short-term thinking predominates and there is an internal focus, rather than paying attention to customers and end-users. Further, rewards are not a consistent reflection of actions and there is confusion about what is acceptable behaviour.

In weak cultures, people play political games and are more interested in their personal ambitions than the larger organisation. Generally, there is no appetite for change and there exists a negative attitude to it.

There you have it for post-COVID business. There's quite a few distinctions between a strong and weak culture. You can see that a major determining force in shaping strong positive cultures is leadership. Weak cultures tend to be tentatively managed rather than led with passion.

So now you have a clear idea of forming strong cultures, you may want to peel back the layers of the iceberg and take a closer look at that process. We need to develop diagnostics to really examine the culture.

Culture is 'the way we do things around here'. It is reflected in the atmosphere and the climate of the business and reflected in communications. It can be seen as a major part of the infrastructure and is the glue that binds together people, teams, behaviours and processes to generate results. The culture supports tangible formal and informal activities that permeate the organisation, and finally, the culture should become the major factor that unites and propels the organisation forward.

We find a good way to explain culture is founded upon a simple model of the Organisational Iceberg (Figure 1, page 13).

When you look at the iceberg, you only see the tip. The vast majority of the mass is unseen, well below the surface. It's opaque, and the deeper you dive, the more difficult it is to describe its nature.

At the deepest level, we have the beliefs and leadership values which are inherent in the business and usually ascribed to the founders or owners, or portrayed in legal documentation. At this level, the manifestation of these beliefs and values is in the dominant 'leadership or managerial style'.

The ways of managing and working with people flow directly from these leadership values. They are deep in the iceberg, but are fundamental in shaping the culture, teamwork, communication, and how people work together.

### Invest in Leadership to create change

If you want to create change, you must start working at this leadership level. You get much more leverage from working with core leadership values and management style. This means

	Now	Managing the gap	Future
<b>1. Strategy</b> <ul style="list-style-type: none"> <li>Where are we going?</li> <li>Does our purpose still hold and what tangible vision do we have post-COVID?</li> <li>How will we manage the transition from today to the future business?</li> </ul>			
<b>2. Structure</b> <ul style="list-style-type: none"> <li>How do we organise our reporting lines to respond to the post-COVID climate?</li> <li>How can we better define our roles and responsibilities to our stakeholders and clients?</li> </ul>			
<b>3. Systems and Processes</b> <ul style="list-style-type: none"> <li>How well do our systems and processes support our purpose and mission?</li> <li>How can we work on the 20% of process problems that create problems with providing service to our external customers?</li> <li>How adept are we at delivering across functional boundaries?</li> </ul>			
<b>4. Style</b> <ul style="list-style-type: none"> <li>Have we defined our leadership style, at all levels, in terms that deliver high performance service?</li> <li>What are the core values that will define leadership at all levels?</li> <li>How well have we adapted to responding personally to changing circumstances post-COVID?</li> </ul>			
<b>5 Staff</b> <ul style="list-style-type: none"> <li>How much more do we need to do to empower others to deliver?</li> <li>What further team working skills do we need to deliver across functional boundaries?</li> <li>How can we ensure we communicate our intentions clearly to staff so they can behave appropriately?</li> </ul>			
<b>6. Skills</b> <ul style="list-style-type: none"> <li>What core competencies do we need to deliver to become outstanding in delivery?</li> <li>How can we install a perpetual L&amp;D culture at all levels?</li> <li>How can we integrate individual and team with organisational objectives?</li> </ul>			
<b>7. Shared Values</b> <ul style="list-style-type: none"> <li>What core values bind us together and enable us to act as a team?</li> <li>How can we inculcate our core beliefs and values with our people and our communities?</li> <li>What inspiring behaviours do we need to extol that will guarantee our survival as key suppliers to our clients and customers?</li> </ul>			
<b>8. Shared Information</b> <ul style="list-style-type: none"> <li>How well have we mastered the information that impacts our market and our business?</li> <li>How well do we process information to deliver to customer needs post-COVID?</li> <li>How can we better portray the characteristics of a learning company?</li> </ul>			
<b>9. Symbols and Identity</b> <ul style="list-style-type: none"> <li>How can we craft our corporate identity to align with our clients and customers?</li> <li>How can we ensure our values and our culture is portrayed effectively to our clients and stakeholders?</li> <li>What symbols and practise can we employ to align with our audience in the widest sense?</li> </ul>			
<b>10. Synergy and Adaptability</b> <ul style="list-style-type: none"> <li>How can we better manage change, post-COVID?</li> <li>How well do we integrate the hard and soft Ss' – that is strategy, structure and systems with style, Staff, skills, shared values, shared information?</li> <li>What strategies can we adopt to improve the ability of our team leaders and managers to manage the required changes post 2020?</li> </ul>			

dissecting leadership in the organisation using specific diagnostics to do just that. Leadership is key. Culture change is unsuccessful if it only focuses on tinkering at the edges.

## Be decisive

In these difficult times, changing the hygiene factors, such as physical work environment, corporate logos, branding, job titles, policies, poorly devised mission statements and charters, does not impact positively on the bottom line and performance, and are unimportant in driving effectiveness.

However, working on the deeper level of the culture requires instigating serious research into how positive leadership values can be installed in the organisation, and is manifested in significant shifts in performance.

## Measuring cultural change in the 2020s

Measuring cultural change must be specific and precise. Behaviour change is central to any meaningful cultural change. The secret is to focus on specificity and precision in shaping the culture to

promote and reward explicit leadership behaviours. From that, you must measure progress and positively correlate leadership values to generate specific practices.

We believe key individuals shape the performance of an organisation.

## Charismatic leadership for culture change

Just now what in many businesses, leadership is central. The sheer presence of just one or two charismatic individuals will positively shift the organisation forward. Their 'charisma' is good for the organisation. Its infectious. Everything they touch, influence and design has positive, far-reaching consequences, and creates improvement, growth and profitability, leading to the accomplishment of key desired outcomes. Now you need to make use of the enhanced McKinsey 10 Ss model in the diagram above.

## Create your high performing culture

So, how do we go about creating a focused, performance-driven culture? It must be led from the top, with leadership teams. They



must invest their time seriously thinking about how they can shape the culture to deliver business results better. The resulting culture is too important to be left to chance, so: start sooner.

Two factors are critical in shaping corporate culture. 'To what leaders pay most attention' and 'How they respond to critical incidents'. Now, more than ever, people are 'Boss Watchers' – they pay attention to where their leaders focus their attention. If key people extol innovation and engagement with the customer, yet fail to do either, this highlights the mismatch in what they say and what they do. If, however, leaders 'walk their talk', and act, staff will recognise that their leaders are serious, consistent and committed.

### Leadership – central to post-COVID recovery

It is the role of leadership at every level to transform and convert indifference, apathy and cynicism into action for improvement. Staff need an example to follow, before they, in turn, model their intentions to win over those who are less than willing to lead the process.

### So how to make this happen?

Work with the leadership team on the 10Ss approach, and establish precisely what you want the organisational culture to achieve and to become.

### Diagnostic survey using the hard and soft Ss

Undertake diagnostics to look at what the current culture is like, and what changes must be made. You need to be open to exploring the strengths and limitations of the current culture. That's why we emphasised the important point of undertaking a cultural survey and diagnostic earlier.

### How long will the culture change take?

It depends on the patience and eagerness of the leadership team. It takes as long as they want it to take, but they have to be prepared to devote additional time to bedding it in. It is possible, with a medium-size business, to create a significant shift within six months and twelve-eighteen months in a larger enterprise. Working with the leadership team creates far more leverage and traction in change terms by working on initiatives at several layers of the iceberg at the same time.

### Performance – how do you measure outcomes?

Be confident in knowing that a strong positive culture will deliver more robust performance figures, however you measure them, than a culture which is indifferent, haphazard and not shared across key processes and boundaries.

You can change the culture and see tangible progress, but first, you have to decide what culture you want and start by getting an accurate picture of what the culture is like currently. Then it's simple, build leadership strategies to traverse that gap.

Here are some questions you should ask yourself and the leadership team:

- What sort of culture do you have currently and how must it change?
- Where is your culture weak or strong, negative or positive? More importantly – how do you know? And how can you measure tangible improvement?
- Does the whole organisation need to portray the same dominant culture? How do parts of the organisation differ, and how do you manage the cultural interface?
- If you are a large organisation, what type of culture resides in different functions and different geographic locations? Why does this happen and is this desirable?
- It is okay to have different cultures, but you must integrate them. So, currently how do you know they are developing the right level of integration?
- What is holding you back from dumping an ineffective or toxic culture where it exists?
- What stands in your way from investing in an even more robust and resilient culture?
- How can you speed up positive culture change precisely?
- What action can you take as leaders to create a strong cultural foundation?
- How will you ensure a robust will culture impact upon your performance positively?
- Do you understand the causal and cultural relationships between vision, values, behaviours, actions and KPIs and know how to leverage their interplay?

### Wake-up call: Strategic direction

Working on culture and linking this to strategy is vital. You cannot have a rigorous strategy pursuing existing and new options without a vibrant culture. In that case, work on both as an integrated project.

The key issues are 'push' and 'pull' factors. Are you being pushed into reviewing your ability to achieve your mission, or is there a compelling reason to restructure upon new strategies? At the current time, we suspect that organisations not taking strategy and culture very seriously are in for an interesting wake-up call.

## Strategic review – take a good look in the mirror

Some organisations may provide services or seek to meet a social need, but they still have to capture the attention and win the support of those who are consumers, end-users or customers of their service or product.

If this is your organisation, how will you be assessed? How does that assessment affect your longevity as a business? One important issue is that resources allocated may be limited or fixed. These organisations cannot frequently go back to those who fund them and ask for additional investment. It is therefore important that these organisations commit to the strategy process for the benefits that accrue to the organisation, its consumers and its people. Only by effectively utilising resources, thinking smarter and thinking strategically can they maximise their output and use resources more efficiently.

## Strategic analysis of the organisation in its Context

- Organisational Analysis
  - o Cultural Review and Audit – how focused and energised are you?
  - o SWOT – is there a shared awareness?
  - o Vulnerability Analysis – where are you most and least vulnerable?
- Competitor Analysis
  - o Benchmarking services – who is 'best in class' and how do you compare?
  - o Market Analysis – how are stakeholders changing in your marketplace?
- Industry and Situational Analysis
  - o Market Share – are you growing or declining in prominence and position?
  - o Technological Change – have you grasped AI?
  - o M&A activity – are there opportunities for partnership?
  - o Regulatory and Legislative Assessment – how are you responding to immediate threats?
- Supplier Relationship
  - o Supplier Development Strategies – develop 'win-win' with your supply chain
- Customer Satisfaction and Consumer Reaction
  - o Customer Retention – what's your strategy for building loyalty?
  - o Prospect Conversion – Is your share of consumers growing?
  - o Change in Customer Trends and Habits – have you identified how COVID will change things?
  - o Customer Profiling – focus on core customer personas
- Environmental Scanning
  - o Wider Economic Analysis – are you taking in macro changes impacting the business?
  - o Political Situational Analysis – are you reading the socio-economic trends well?
  - o International Trends – are you considering your role in international relations?
- Stakeholder/Investor Relations
  - o Media Perception – are you managing your identity?

There are a variety of extremely powerful tools that have evolved

over the years for strategic analysis. The tools and techniques can sometimes be industry-specific, but generally, they can be tailored to any organisation to converge into a complex model. The model on page 19, based on the Boston Consulting Matrix, can be used as a robust process, for assessing the actions necessary to compete or provide a customer or consumer-focused service in any given market. The process need not be tortuous, and can be soon woven into a potential business plan that can unfold and impact positively on the organisation in the immediate and longer-term.

## Critically assess your portfolio of services

Every organisation has a portfolio of services to offer their customer or end-users, either in return for payment, exchange or as part of a social transfer of resources, assets or knowledge. Each product group or specific service within the current provision of services will at any time occupy a point on the birth-death scale of the lifecycle for that service or product. What is vital is to know with certainty where the service is, in terms of customer or end-user perception.

This approach can be particularly powerful for measuring the contribution of current service or product portfolios, and if we compare this 'current situation' with potential for the services or products, we can build a rounded picture which will support you in formulating strategies for the future.

Amongst your portfolio of services and products, some will be mature, others may not be immature, undeveloped and not ready for market. These may be little more than merely good ideas that will, one day, after extensive R&D, fit into the organisation's range of services. If you look at the full range of what the business has on offer, services and products will fall into these four categories (Strategy Matrix, page 19).

## Assessing service and product portfolio

We assess specific services or products along two axes. The horizontal axis reflects the current value generated by the existing services we have on offer. Value could be defined as the degree of profit, the percentage of sales, volume of activity or penetration, or equally as another financial or non-financial ratio. Clearly, the business has to decide how to measure the value of the current service or product portfolio and decide arbitrarily whether this fits into the left-hand column, of low to medium returns, or into the right-hand column, which would indicate services or products which generate medium to above-average returns.

As well as looking at current services or products, we also want to explore services or products currently under development or on trial, and assess their potential contribution to the business. Which point will they occupy on the vertical column? Is it likely that they will generate low to medium returns, or will they have the potential to generate outstanding returns to the business? Our assessment is based upon our knowledge of the service or product, the reaction of specific clients and end-users to the service and its relative stage in the 'life cycle' to the customer or end-user.

It is pretty clear that if your business or the services you provide currently fall within the bottom two quadrants, then your organisational future is seriously at risk. Dominance and value are reflected in the percentage of the services you offer sitting within the top right hand and the bottom right-hand quadrants. If your services fall within the two quadrants on the left-hand side of the 'Strategy Matrix', you need to give some serious thought to

## Strategy Matrix

High Potential Low Current Return  Bright Ideas	High Potential High Current Return  Falling Stars
Loss Leaders  Low Potential Low Current Return	Falling Stars  Low Potential High Current Return

reconstructing your service portfolio.

If the services you offer fit within 'Loss Leaders' quadrant then the writing is on the wall. Here, strategic intent is providing services at rock bottom prices, or costs and it appears no new services are in development or being offered to your clients or end-users.

If you have too many products or services in the 'Bright Ideas' quadrant, you need to invest in them pronto to turn them into 'High Flyers' and generate income and a competitive advantage over others – otherwise you have wasted time and resources in 'sunk costs'.

### Summary: Difficult situations require robust decisions

Using the Strategy Matrix is critical in helping shape the future of the business, as is using the 10Ss framework for your cultural diagnostics. In too many organisations, culture and strategy are discussed, but not vibrant items on the organisational agenda for change. In organisations that have committed to these processes, many have gone on to further success using these simple models. To others, this has been a 'wake up call' to take action.

Additionally, those who do commit to building on culture and strategy recognise that many benefits have accrued through involving their key stakeholders, end-users and clients in the process.

These businesses have recognised a sudden but unexpected positive reaction among their staff in terms of interest in strategic issues. Formulation of a sustainable culture and a vibrant business strategy are no longer seen solely as the province of the leadership team, but as the responsibility for anyone who wants to be actively engaged in the process.

Currently, we are seeing more and more leadership teams committing to strategy development through cultural change. And although culture change has still to be de-mystified' for many organisations, when they do unravel the causal links between culture and strategy, the simplicity of a change programme can be implemented speedily.



### About the authors

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